The ROAD to smart growth

A guide to how Congress can implement critical smart growth and pro-housing solutions from the 21st Century ROAD to Housing Act

The 21st Century ROAD to Housing Act (ROAD) is the most significant federal housing law in decades, reflecting a bipartisan commitment to increase housing supply and access for all Americans. Many of the law's provisions align with a smart growth development approach – supplying enough housing of different types in high-demand areas and at multiple price points to create more connected, prosperous communities.

However, enacting ROAD isn't enough to solve the crisis. ROAD does not include new funding or direct appropriations for its programs, which need adequate funding and capacity. To make sure ROAD is effective on the ground, Congress needs to support its implementation by appropriating funding, engaging relevant agencies, and prioritizing other pro-housing and smart growth policies that promote affordability, community connectedness, and better access to transportation and economic opportunity. **This guide explains seven actions that Congress should take as the next steps on the ROAD.**

Congress can ensure that ROAD is a success by...

FUNDING new and additional programs through the appropriations process,

SUPPORTING agencies that implement provisions through engagement and investment in capacity, and

ADVANCING more pro-housing and smart growth policies to fill gaps left by ROAD.

1 NEPA exemptions and streamlining

§103 exempts USDA-funded infill projects and rural housing from National Environmental Policy Act (NEPA) review

§206 adds categorical exclusions from environmental review for federally supported housing

§802 requires only one joint HUD-USDA NEPA review for projects funded by both agencies

Streamlining review processes can speed affordable housing construction in high-potential infill locations. However, reduced capacity across relevant government agencies will slow required rulemaking and interagency coordination, delaying projects.

Congress should:

SUPPORT USDA and HUD by investing in greater capacity to ensure rulemaking and coordination are done on time

ADVANCE legislation to further streamline review processes for projects in priority locations

2 Pre-approved and regional planning

§207 offers competitive grants to state, local, and tribal governments that support regional planning and development

§209 awards competitive grants to communities developing pattern books of pre-approved home designs focused on middle housing and infill *(Accelerating Home Building Act)*

Pre-approved designs and regional coordination can expedite the construction of "middle" housing and other underproduced infill housing. Many communities will need resources from ROAD programs to carry out this work, but the funding has not yet been appropriated.

Congress should:

FUND these grant programs in upcoming appropriations

SUPPORT HUD's ability to implement the programs and support future grant applications from constituent communities

3 Federal zoning guidelines

§102 requires HUD to set zoning guidelines to permit single-stair (point-access block) buildings and fund pilot grants that test their feasibility

§107 directs HUD to collaborate with community partners to develop model zoning codes and best practices *(Housing Supply Frameworks Act)*

Restrictive zoning regulations are a significant barrier to increasing housing supply. While zoning is largely decided at the state and local levels, federal guidance could help communities plan more effectively. These provisions would require additional expertise at HUD, which currently has limited capacity.

Congress should:

FUND single-stair pilot grants through appropriations

SUPPORT HUD by expanding its capacity through appropriations

ADVANCE legislation supporting zoning innovation

4 Housing restoration and conversion

§210 authorizes pilot grants through the HOME program to convert vacant or abandoned buildings into housing *(RESIDE Act)*

§212 raises the RAD program cap by 100,000 units to restore more older housing stock

Restoring older housing stock and converting buildings into housing can address supply issues without new construction. However, federal resources must sustain these efforts because restorations and conversions can be costly.

Congress should:

FUND HOME and RAD to meet new program conditions

SUPPORT HUD by building its capacity and updating existing program notices

5 Rewards-based policies

§208 supplies highly flexible funding for localities already building significant housing supply *(Innovation Fund)*

§213 reallocates some funding from certain Community Development Block Grant (CDBG) recipients from low-supply places to incentivize those building more housing *(Build Now Act)*

Offering additional funding to states and localities already increasing housing supply could incentivize more hesitant states and localities to do the same. Implementing these incentives requires funding and agency coordination.

Congress should:

FUND the Innovation Fund through appropriations

SUPPORT HUD capacity in implementing the CDBG allocation formula provided through the Build Now Act

6 CDBG reforms

§104 requires CDBG recipients to maintain a publicly accessible, searchable, undeveloped land database

§504 reauthorizes CDBG-DR (Disaster Recovery) flexible funding, which can be used for housing construction in recovering communities, and creates an Office of Disaster Management and Resiliency at HUD to administer it *(Reforming Disaster Recovery Act)*

ROAD includes provisions that help CDBG-recipient communities leverage underutilized land and recover from disasters. These provisions will require additional capacity at HUD to oversee grantees and administer the program.

Congress should:

FUND CDBG-DR and protect CDBG from funding cuts

SUPPORT HUD in increasing CDBG capacity and in developing the new administrative office needed for its reforms

7 Manufactured housing

§301 removes the chassis requirement from manufactured housing in the HUD Code to reduce construction costs *(Housing Supply Expansion Act)*

§304 authorizes PRICE grants for constructing and renovating manufactured housing communities *(PRICE Act)*

Innovations in manufactured and modular housing have significantly reduced the cost of constructing quality housing. Implementing and standardizing manufactured housing will require financial input and agency coordination with states.

Congress should:

FUND the PRICE program through appropriations

SUPPORT HUD rulemaking to expand adoption of manufactured housing and state-federal engagement

ADVANCE legislation that expands manufactured housing construction, especially for middle housing types

ROAD's passage was a much-needed first step in addressing the national housing shortage, but its success depends on implementation. With FY27 appropriations underway and a new Congress in January, Smart Growth America is building partnerships in Congress and across the administration to make sure this monumental legislation's smart growth and pro-housing benefits are delivered to communities across the U.S.

For more information, contact Aditya Mistry, manager of housing advocacy, at amistry@smartgrowthamerica.org.

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